

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

2003

REGISTERED AIR MAIL

RYBAT

~~SECRET~~

PBSUCCESS

C/R 16

HUL-A 29

Chief, WH

LINCOLN

Operational

Contact Report 16

Enclosed in single copy is Contact Report 16 for Headquarters information and retention.

Jerome C. DUNBAR

Enclosure:

C/R 16

gfb

Contact Report
16

~~SECRET~~

CRYBAT

C/R 16
FBSUCCESS

CONTACT REPORT

DATE: 29-30 Jan. 1954

PLACE: Safe House B, LINCOLN

Persons Present: RUFUS, [] MYLKES

DISCUSSION:

1. Following concerns only matters taken up after GALBOND's departure. MYLKES began discussion of PP organization as it pertained to LINC and to various organizations in the field. A general picture was developed as to how the PP program fitted into the overall picture and how important it was. At GALBOND's advice, particular stress was laid on how the military could be defected or neutralized. The current installations and future capabilities were discussed. Personnel to perform work at LINC were discussed and letters have been prepared by [] and introduction to RUFUS to our [] case officer has been arranged. Matter of financial control brought up difficulties. Neither is in favor of having funds come from [] Previously [] was in agreement with this arrangement. Their idea was that they could not justify funds coming from the U.S. I pointed out that our case officers would indicate that they were coming direct from [] or RUFUS. No decision was reached.
2. Before any further items of PP, or any of FI and/or PM matters could be discussed, the White Paper hit the press. After MYLKES was furnished with known facts (GUAT 046), he was directed to check with RUFUS as to whom the possible source of this info was. LINC 321 gave briefly that info which was gathered from RUFUS. His attitude toward MYLKES' insistence for facts to back up statements which indicated info leak would be SOMOZAS or PABLO or acceptance of fact that it could be his men DELGADO or Capt. SIERRA was one of indignation.
3. This conversation (para 2) brought up subject of security. MYLKES indicated that he was personally certain that the group would want to study all of the security considerations before continuing as scheduled. He advised that on two previous efforts the RUFUS [] group had been compromised at the last moment, causing long delay and costly re-financing. For this reason MYLKES stated that it was his Personal opinion that RUFUS be prepared to either explain the fact with the info that his group had been penetrated on a high level from the beginning and/or his current method of security and FI practices were not adequate. RUFUS defended his position strongly by saying that his men should not be judged too severely and that he, personally, was responsible since he could not establish such a system of checks and investigations with his sensitive Latin assistants.

~~SECRET~~

CRYBAT

~~SECRET~~

C. RYBAT

PR 5400

- 2 -

4. Later the same day (30 Jan.), MYLKES returned to the house and the matter of security was again brought up. At this point RUFUS, without any prompt, advised that he had learned now that DELGADO had betrayed him and that he was willing to accept the ideas of the group re: security and FI Ops. MYLKES pointed out that although RUFUS would lose some authority and responsibility he would receive the benefits of better intelligence and security. He agreed and said that immediately upon his return he would issue a general order which would necessitate compliance with all measures deemed necessary by our FI officer. He said that all of those sensitive people would have to accept a general law which arose as a result of this DELGADO betrayal or be removed to less sensitive jobs of his general Headquarters. RUFUS agreed that all elements of his organization would be advised to adhere strictly to all new security regulations as suggested by our FI rep and issued by RUFUS' command.

COMMENT:

Let's get our fee while the tears are hot. Remains to be seen to what degree RUFUS will comply with these promises once he is in the field and is in full possession of our aid and equipment.

MYLKES

M/gfb
31 Jan. 54

~~SECRET~~

RYBAT